

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 17, 2000

IN RE:

**BELLSOUTH TELECOMMUNICATIONS, INC.
TARIFF TO OFFER CONTRACT SERVICE
ARRANGEMENT (TN 99-4974-00) FOR FRAME
RELAY, BROADBAND EXCHANGE LINE-FAST
PACKET OPTION & MEGALINK SERVICES**

**DOCKET NO.
00-00032**

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN 99-4974-00)**

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference on February 15, 2000 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN 99-4974-00 ("CSA"). BellSouth filed Tariff No. 00-00032 on January 14, 2000, with a proposed effective date of February 14, 2000.

Based upon careful consideration of the tariff filing and the attachments thereto, a majority¹ of the Authority finds and concludes:

¹ Directors Greer and Kyle have consistently voted to approve this specific service type of CSA. Director Greer has voted to approve such CSAs because they benefit consumers and comply with BellSouth's tariffs. Director Kyle has stated on the record that the CSAs she votes to approve are a benefit to the consumer who is receiving lower rates and are not harmful to competition. Chairman Malone voted to deny this CSA consistent with both his reasoning and his votes against approval of similar specific service CSAs. Chairman Malone has opined in other dockets that approval of such CSAs without a thorough review and analysis may substantially impede the development of a competitive environment because there is not sufficient information available to determine whether the CSAs may be discriminatory, anticompetitive or in violation of state and/or federal law. Chairman Malone remains of the opinion that termination provisions containing ninety percent (90%) or one-hundred percent (100%) buyout clauses are so potentially anticompetitive as to warrant denial.

1. The purpose of this CSA is to provide Frame Relay, Broadband Exchange Line-Fast Packet Option, and MegaLink services to the customer identified in the filing. Frame Relay utilizes a special network, separate from the public switched network, for providing customers high-speed data transport between multiple locations. MegaLink service, commonly referred to as T1.5 service, is a dedicated private line service that provides high-speed data transport at a speed of 1.544 Mbps. MegaLink also provides customers with the availability of twenty-four (24) voice grade lines for communications.

2. The term of this CSA is thirty-six (36) months with two twelve (12) month renewal options. To renew the CSA, the customer must notify BellSouth within thirty (30) days of the expiration of the thirty-six month term.

3. The CSA is designed to provide the services at an overall rate comparable to competitive alternatives. Through this CSA, BellSouth is offering the customer a waiver of non-recurring charges for Frame Relay and MegaLink Services.

4. If the customer disconnects any of the services prior to the expiration of the term of the CSA, the termination provisions require that the customer pay BellSouth an amount equal to the repayment of the non-recurring charges previously waived and contract preparation fees of \$588.00. If the customer cancels the CSA prior to the expiration of the contract term, the termination provisions require that the customer pay BellSouth the remaining monthly recurring contract payments for MegaLink Service and ninety percent (90%) of the remaining monthly recurring contract payments for Frame Relay Service.

5. BellSouth provided an addendum executed by the customer stating that the customer was aware of competitive alternatives available to it in Tennessee and that the

customer and BellSouth have agreed on the termination provisions, that the termination charges represent a reasonable estimate of BellSouth's damages in the event of termination, and to the renewal option.

6. No parties sought to intervene in this docket.

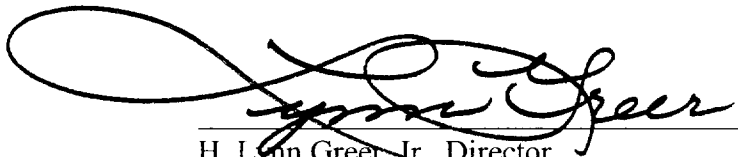
Based upon the foregoing, a majority of the Directors of the Authority determined that the CSA in this docket should be granted.

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc.'s Tariff No. 00-00032, which seeks approval of Contract Service Arrangement No. TN 99-4974-00, is hereby granted.

* * *

Melvin J. Malone, Chairman



H. Lynn Greer, Jr., Director



Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary

* * * Chairman Malone voted against approval of this specific service CSA.